

**NOT FOR PUBLICATION
UNTIL RELEASED BY THE
HOUSE ARMED SERVICES
COMMITTEE**

JOINT STATEMENT OF

**PETE VELZ, DIRECTOR, AFGHANISTAN (RESOURCES AND TRANSITION)
OFFICE OF THE UNDERSECRETARY OF DEFENSE, POLICY**

&

**COL. DAVID NAVRATIL, COUNTRY DIRECTOR FOR IRAQ
OFFICE OF THE UNDERSECRETARY OF DEFENSE, POLICY**

BEFORE THE

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

HOUSE ARMED SERVICES COMMITTEE

**ON EVALUATING DOD EQUIPMENT AND UNIFORM PROCUREMENT IN IRAQ
AND AFGHANISTAN**

25 JULY 2017

**NOT FOR PUBLICATION UNTIL
RELEASED BY THE HOUSE
ARMED SERVICES COMMITTEE**

**WRITTEN TESTIMONY ON “EVALUATING DOD EQUIPMENT
AND UNIFORM PROCUREMENT IN IRAQ AND AFGHANISTAN”
HOUSE ARMED SERVICES COMMITTEE
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS
TUESDAY, JULY 25, 2017**

Chairwoman Hartzler, Ranking Member Moulton, Members of the Committee: Thank you for inviting Department witnesses to testify here today, and thank you for your steadfast support for the men and women of the Department of Defense (DoD)—military and civilian alike—who serve and defend our country all over the world.

We are pleased to be here today to discuss the Department of Defense’s efforts to ensure that taxpayers’ funds used to train, equip and sustain partner forces in Iraq and Afghanistan are effectively managed and deliver results in support of our national security objectives. Secretary Mattis has made it clear that even small instances of inefficient or ineffective use of these funds can have strategic impacts that can reverberate negatively on the DoD mission and our budget situation and that we must earn the trust and confidence of Congress and the American people that we are diligent stewards of taxpayer dollars. He expects all DoD organizations to end wasteful practices in any mission area and to bring forward proposals that make the Department more effective and efficient. This guidance certainly applies to the Department’s management of the Afghanistan Security Forces Fund (ASFF), the Iraq Train and Equip Fund (ITEF), and the new Counter-ISIL Train and Equip Fund (CTEF).

The Department recognizes and greatly appreciates the strong support from the defense committees for these appropriations. The ASFF, the ITEF, and the CTEF have been absolutely critical in ensuring our Afghan and Iraq partners have the forces, capability and capacity to defend their nations against insurgents and international terrorist groups. The efforts and sacrifices of the Iraqi and Afghan defense and police forces are noteworthy. We know of the tremendous success that the Iraqi security forces have had in defeating ISIS in Mosul, liberating that city and freeing its people. The Iraqi security forces are continuing their momentum to the next ISIS stronghold in Iraq, as they maintain the initiative, backed by strong Baghdad leadership and unwavering coalition support. The Department will use the remaining ITEF funding as well as the new CTEF funding to help reset Mosul forces while training and equipping other combat units in Iraq. The Afghan forces have shown over the last two and a half years since the end of the US combat mission in Afghanistan that, with limited US enabler assistance, they have been able to prevent the insurgency from achieving its strategic

objectives, including capturing and holding a major city. We have used and will continue to use the ASFF appropriation of \$4.2 billion in Fiscal Year 2017 to improve the Afghan forces with a focus on their capabilities that have proven particularly effective, such as aviation and special operations. It should be noted that other operational partners provide about \$1 billion annually to fund the Afghan forces and the Afghan government provides about \$500 million annually—equivalent to about one fifth of its entire government revenues.

The Department recognizes that to ensure continued Congressional support for the ASFF, the ITEF, and the CTEF so we can build upon and improve upon the results that Afghan and Iraqi forces have demonstrated on the battlefield, strong DoD oversight of use of these funds is imperative. The ASFF and ITEF are the two appropriations that are involved in the issues that are at the center of the three inspector general (IG) reports on which this hearing is focused. Learning from work such as this by the DoD Inspector General and the Special Inspector General for Afghanistan Reconstruction (SIGAR) is a central component of our oversight. Throughout the course of audits and investigations, and through implementation of recommendations and production of their statutorily required quarterly reports to Congress, the Afghanistan and Iraq offices in the Office of the Under Secretary of Defense for Policy (OSD Policy) work closely with the DODIG; the Afghanistan office also works closely with SIGAR. We also work closely with GAO in their efforts to support Congressional oversight requirements; for example, we have had an extensive dialogue with GAO in support of an ongoing review it is conducting at the direction of Congress of all DoD equipment procurements for the Afghan forces.

These interactions with oversight organizations provide valuable insights into our efforts to implement the Secretary's guidance to effectively manage these funds while achieving the critically important national security outcomes for which these funds are intended. Moreover, for the ASFF, the Department's Congressionally chartered Afghanistan Resources Oversight Council, which has statutory authority to approve acquisition strategies and funding requirements for ASFF-funded procurements, uses the results of IG work as a key input in its decision making and oversight. We also use regular staff interactions among OSD Policy staff, Joint Staff, CENTCOM, and commanders in the field to ensure a common understanding of actions that are needed to improve accountability for the use of ASFF and ITEF and to take appropriate corrective action when needed.

Regarding the three IG reports that the subcommittee cites in its announcement letter on this hearing, the Department is implementing the IGs' recommendations in those reports. For example, the SIGAR report on Afghan National Army uniforms suggested that a DoD organization with expertise in military uniforms should conduct an analysis of whether there might be a more

cost-effective uniform design and camouflage pattern that meets operational requirements. The appropriate DoD experts have begun developing a plan for conducting this study, which we expect to begin in the near future.

The appropriate DoD agencies also continue to develop and implement solutions for findings highlighted in both IG reports on ITEF. Each report exposed accountability or physical security issues with the management of ITEF property. Immediately after identification of these issues, the appropriate units implemented actions to fix the problems. In both reports, the IG writes that their concerns were addressed.

The Department is committed to enhancing existing oversight of ASFF and ITEF to prove ourselves as worthy stewards of taxpayers' money. This is critically important across all of DoD's mission areas, whether that involves providing assistance to our partner forces in Afghanistan and Iraq or ensuring the readiness of US forces. As Secretary Mattis wrote in a memo to DoD personnel on his first day as Secretary of Defense, "Every action we take will be designed to ensure our military is ready to fight today and in the future."